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July

CHRYSLER
CANADA LTD.

Report for the Year Ended December 31, 1971

Directors and Officers

Directors

C. O. HURLY

Vice-President - Marketing

R. F. KIBORN, Q.C.

General Counsel and Secretary

J. H. McGIVNEY, Q.C.

Director - Personnel

J. G. MCKENZIE

Director - Purchasing

J. T. MOREN

Executive Vice-President

J. B. NEAL

Vice-President - Manufacturing

R. W. TODGHAM

President

Officers

R. W. TODGHAM

President

J. T. MOREN

Executive Vice-President

C. O. HURLY

Vice-President - Marketing

J. B. NEAL

Vice-President - Manufacturing

C. W. SANDERS

Comptroller and Treasurer

R. F. KIBORN, Q.C.

General Counsel and Secretary

Statement of Net Earnings

	<u>1971</u>	<u>December 31</u> <u>1970</u>
	(in thousands of dollars)	
Revenues:		
Sales and other income	\$ 1,296,306	\$ 1,154,844
Expenses:		
Cost of products sold	1,219,226	1,079,719
Depreciation and amortization expense	23,056	15,788
Taxes on income	27,503	32,497
	<u>1,269,785</u>	<u>1,128,004</u>
Net Earnings	<u>\$ 26,521</u>	<u>\$ 26,840</u>

Statement of Net Earnings Retained for Use in the Business

Balance at beginning of year	\$ 209,016	\$ 182,176
Net earnings	26,521	26,840
	<u>235,537</u>	<u>209,016</u>
Balance at end of year	<u>\$ 235,537</u>	<u>\$ 209,016</u>

Auditors' Report

The Shareholders,
Chrysler Canada Ltd.

We have examined the balance sheet of Chrysler Canada Ltd. (a wholly-owned subsidiary of Chrysler Corporation) as of December 31, 1971 and the statements of net earnings, net earnings retained for use in the business and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the financial statements present fairly the financial position of the company as of December 31, 1971 and the results of operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
January 25, 1972

Touche Ross & Co.
Chartered Accountants

Balance Sheet

Assets

	<u>1971</u>	<u>December 31</u> <u>1970</u>
	(in thousands of dollars)	
Current Assets:		
Cash and securities	\$ 31,245	\$ 12,542
Accounts receivable	161,378	145,346
Inventories	76,999	70,477
Other current assets	14,673	13,024
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Total current assets	284,295	241,389
 Investments and Other Assets	 26,001	 19,106
 Property, Plant and Equipment	 165,718	 172,261
Less depreciation	92,141	88,780
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Net property, plant and equipment	73,577	83,481
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Total Assets	\$ 383,873	\$ 343,976
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Liabilities

and Shareholder's Investment

	<u>December 31</u>	
	<u>1971</u>	<u>1970</u>
	(in thousands of dollars)	
Current Liabilities:		
Accounts payable	\$ 132,495	\$ 103,739
Taxes on income	3,607	17,990
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Total current liabilities	136,102	121,729
Other Non-current Liabilities	10,234	11,231
Shareholder's Investment:		
Capital stock authorized and issued 200,000 common shares, par value \$10 per share	2,000	2,000
Net earnings retained for use in business	235,537	209,016
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Total shareholder's investment	237,537	211,016
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Total Liabilities and Shareholder's Investment	<u><u>\$ 383,873</u></u>	<u><u>\$ 343,976</u></u>

Highlights

Chrysler Canada Ltd. was established in 1925 and is headquartered in Windsor, Ontario. Its main objective is the production and sale of automobiles, trucks and parts for the North American automobile market. From a small beginning it has grown in size until it now encompasses a car assembly plant and truck assembly plant, an engine plant and a spring plant complex in Windsor, as well as its administrative offices. There are also a trim plant and an aluminum die casting plant in the Toronto area. In addition, strategically located across Canada are six parts depots, in Moncton, Montreal, Toronto, Winnipeg, Red Deer and Vancouver.

Employment has grown from an initial work force of 181 to a present level of more than 13,500.

Sales in 1971 were a record \$1.3 billion, compared with \$1.2 billion in 1970. Net earnings totalled \$26.5 million or 2.1% of sales compared with \$26.8 million or 2.3% of sales last year.

Retail sales of passenger cars by the company's dealers in 1971 were 141,457 including Plymouth Crickets and Dodge Colts, which were introduced in 1971, up 13.7% over 1970 and the second highest year in company history. These sales represented 24.4% of all retail sales of domestic car lines in 1971. Retail sales of Dodge/Fargo trucks in 1971 were a record 18,837, up 19.0% over 1970 and represented 13.2% of the market.

In the fourth quarter of 1971, retail sales in Canada of the company's passenger cars and trucks totalled 43,974 units, an all-time record for the quarter.

Net current assets amounted to \$284 million on December 31, 1971 which was the highest year end level in history and compares with \$241 million at December 31, 1970. Purchases of property, plant and equipment were \$6.9 million in 1971 compared with \$6.0 million in 1970. Expenditures for special tools were \$7.4 million, compared with \$12.4 million a year earlier. Shareholder's investment at year end was \$237 million.

In 1971 the company continued its efforts to increase sales with the introduction of the two newest subcompact passenger cars in Canada, the Plymouth Cricket and the Dodge Colt.

The largest automotive parts warehouse in Canada, the company's national parts depot, will be completed in the spring of 1972. Located on the outskirts of Toronto, the depot will house 175,000 different automotive parts and has 24,000,000 cubic feet of warehouse space. It will also be headquarters for Chrysler's Ontario zone vehicle sales, fleet, leasing, service and service training operations.

The conversion of the Windsor powerhouse from coal to gas-fired boilers was completed in the current year, as part of the company's continuing multi-million dollar pollution abatement program.



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